

<p align="center"><b>2003-2004</b> <b>ANNUAL REPORT</b></p>
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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Library Benefit Assessment District Fund

The Library Benefit Assessment District (BAD) program was approved by City Council following an advisory measure on the November 1994 ballot. The BAD program provides needed funding to acquire new books and materials, to improve educational programs, and to repair and upgrade libraries. The benefit assessment is to be collected for a period not to exceed 10 years beginning with 1995-1996. 2003-2004 is the ninth implementation year of the Library Benefit Assessment. Since the assessment will be sunseting at the end of 2004-2005, the City is including a measure in the November 2004 election for a new assessment beginning in 2005-2006.

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***Library Benefit  
Assessment District  
Fund***

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$ 6,270	\$ 6,190	\$ (80)	(1.3%)
<i>Expenditure</i>	7,663	6,012	1,651	21.5%
<i>Fund Balance (est. *)</i>	789 *	1,854	1,065	135.0%

The BAD revenues had a negative variance between budgeted and actual revenues of \$80,000 (1.3%) primarily due to lower than anticipated interest collections. Of the \$7.7 million in budgeted expenditures, \$3.5 million (46%) was allocated for capital projects and \$4.2 million (54%) for the Library Department's operating expenses. Total expenditures ended the year \$1.7 million below the budget. Year-end operating expenses were \$852,000 less than budgeted due to vacancy savings and non-personal/equipment savings. A total of \$70,000 was rebudgeted in the 2004-2005 Adopted Operating Budget for non-personal/equipment costs, and an additional \$372,861 is being recommended for rebudget as part of this document to provide sufficient funding in 2004-2005 for personal services and non-personal/equipment costs. In addition, as part of this document, funding totaling \$127,139 is recommended to be allocated to the Information Technology Department for an Information Systems Analyst position to provide support to the Library Department. This position was included as part of the 2004-2005 Budget, however the funding for this position was mistakenly omitted.

BAD funded capital projects generated savings of \$799,000. This variance between budgeted and actual expenditures was due primarily to Acquisition of Materials (\$478,000) and Automation Projects (\$319,000). The department uses these funds to purchase new

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Library Benefit Assessment District Fund (Cont'd.)

materials for branches and the Martin Luther King, Jr. Library, and to install and maintain internet and on-line reference sources for public use. Of the capital savings, a total of \$210,000 was rebudgeted in the 2004-2005 Adopted Capital Budget for the Acquisition of Materials project, and an additional \$339,000 is recommended for rebudget in this document to provide sufficient funding in 2004-2005 for the Acquisition of Materials and Automation Projects projects.

The higher ending fund balance is attributed to lower than estimated expenditures (\$1.1 million) partially offset by lower than estimated revenues (\$80,000). As discussed above, \$839,000 of this additional fund balance is recommended to be rebudgeted to 2004-2005 to cover Library operating and capital expenditures.